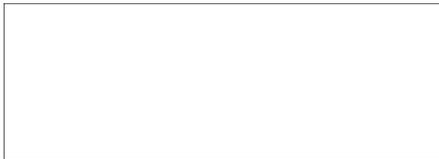


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29 June 1959



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CENTRAL INTELLIGENCE BULLETIN

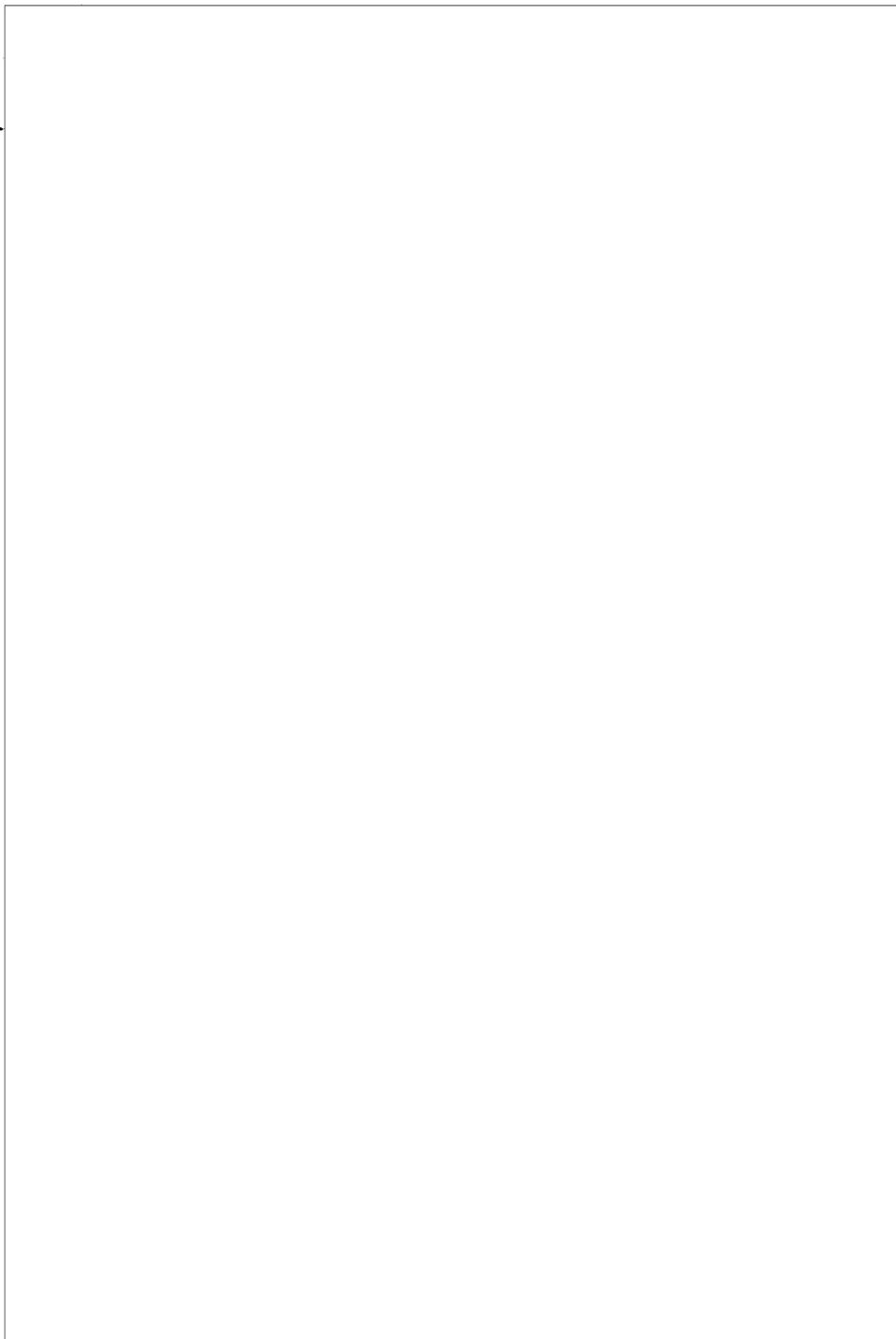


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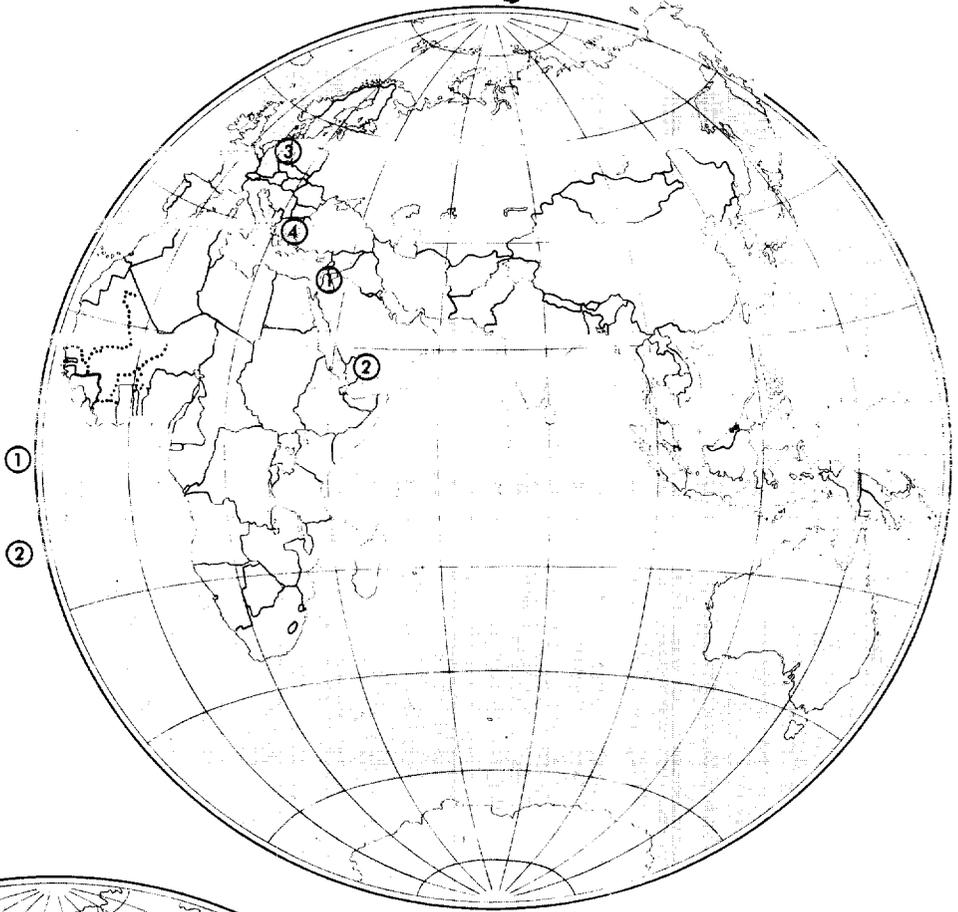
29 JUNE 1959

I. THE COMMUNIST BLOC

II. ASIA-AFRICA

Nasir and Arab League hope to develop new Palestine policy: may establish Palestine republic.

Yemen--Prince Badr apparently achieving some success in dealing with dissidents.



III. THE WEST

- ③ West Germany--Election of CDU candidate Luebke in doubt in 1 July presidential balloting in Berlin. Communist statements suggest bloc not planning to prevent holding of election.
- ④ Greece--Government concerned by favorable public attitude toward Moscow's proposal for atom-free zone in Balkans.
- ⑤ Bolivia--Government puts down anti-government violence; faces new labor crisis.



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CENTRAL INTELLIGENCE BULLETIN

29 June 1959

DAILY BRIEF

I. THE COMMUNIST BLOC

SIRAB

II. ASIA-AFRICA

Arab States - Palestine: In an apparent attempt to regain the limelight in the Arab world, Nasir has appointed a top-level UAR "study" committee on Palestine and will probably discuss the problem with UN Secretary General Hammarskjold during the latter's visit to Cairo on 1 July. Arab League members are scheduled to meet soon to renew talks aimed at a more vigorous Arab policy regarding the Palestine question.

*delete OK -
2nd + 3rd
sentences
of #1*

The Saudi Arabian ambassador to Cairo, commenting on Nasir's action suggested the committee may be "a prelude to the announcement of the establishment of a provisional Republic of Palestine" and formation of a Palestinian army in the Gaza Strip.

(Page 1)

Yemen:

Crown Prince Badr is achieving some success in bringing dissident Yemeni tribal and military elements under his control.

Badr was planning to arrest all supporters of his chief rival, Prince Hasan, and that a few had already been arrested. Such a move by Badr, if successful, would be a major step toward ensuring his succession to the Imam's throne if the Imam does not resume his duties. The tendency of the Yemeni tribesmen and army to shift support, however, still makes Badr's ultimate position uncertain.

no

(Page 2)

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III. THE WEST

West German elections: Election on 1 July of the Christian Democratic Union (CDU) presidential candidate, Heinrich Luebke, is in doubt. The government's coalition partner, the German Party, has refused to pledge its 24 key votes to any candidate, and some CDU delegates may be influenced by the Adenauer-Erhard row to vote for the Free Democratic party's nominee, Max Becker, a relatively unknown conservative. The Social Democrats are reported to be considering switching to Becker on the second or third ballot if their support will ensure his election. The decision to count Berlin votes puts the CDU three votes short of a majority, and fear of East German harassments may increase absences, which could also adversely affect Luebke's chances.

OK [Soviet diplomatic notes, Soviet and East German propaganda, and statements by East German leaders and officials] do not suggest there are any bloc plans to prevent or seriously interfere with the holding of the election in West Berlin. Minor harassments, such as delaying the electors at checkpoints on their way to Berlin, are still a possibility. [] (Page 3)

AD Greece: [The government is concerned over the favorable public attitude in Greece shown toward the Soviet proposal of 25 June that a conference should be held to consider the creation of an atom-free zone in the Balkans and the Adriatic area. Foreign Minister Averoff says the government will therefore avoid a direct and immediate answer to the note, and hopes the West meanwhile will agree on a unified, forceful reply. The American Embassy comments that the public attitude toward Moscow's proposal, together with an undercurrent of uneasiness over establishment of advanced weapons bases in Greece, probably accounts for reports that Prime Minister Karamanlis is still undecided on the base question.] []

OK - changes in 2nd sentence of 1st sentence Bolivia: Anti-government violence which broke out on 26 June in the eastern provincial city of Santa Cruz, stronghold of right-wing and regional opposition elements, has been contained by

29 June 59

DAILY BRIEF

ii

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~~TOP SECRET~~ [redacted]

sizable troop reinforcements rushed to the area. [In the immediate future, however, the shaky Siles government faces a more serious danger from the powerful miners' federation, which has threatened a general strike if the government unfreezes prices in the mine commissaries on 15 July as required by the US-backed economic stabilization program. There is some reason to believe that President Siles provoked the Santa Cruz outbreak in order to unify the government party, which is seriously divided over the mine commissary issue.] [redacted]

(Page 5)

29 June 59

DAILY BRIEF

iii

~~TOP SECRET~~ [redacted]

I. THE COMMUNIST BLOC
No Back-up Material

II. ASIA-AFRICA

Arab Interest in Palestine Question Intensifies

In an apparent effort to regain the limelight in the Arab world, UAR President Nasir has announced the appointment of a UAR committee for studying the Palestine question, under the chairmanship of UAR Vice President Marshal Amir. The Saudi Arabian ambassador in Cairo, [redacted] [redacted] commented that the committee "is a prelude to the announcement of the establishment of the provisional Republic of Palestine, whenever circumstances permit." [redacted] the Palestinian government may be patterned after the Algerian government and have a Palestinian army formed in the Gaza Strip, in liaison with the UAR military. [redacted]

Nasir's action is probably inspired largely by a desire to garner credit for championing the Palestine cause, a tried-and-true method of arousing Arab interest. His move may also be in reaction to indications from Amman that King Husayn is entertaining similar ideas. On 24 June Husayn dispatched a three-man Jordanian cabinet delegation to visit several Arab states, probably in an attempt to arouse support for an Arab summit meeting in Jerusalem which he is sponsoring. The Jordanian radio has alleged that Nasir's new interest in Palestine is tardy and purely opportunistic.

Arab League Secretary General HASSUNA announced on 27 June that acceptance had been received from all members except Tunisia and Morocco of his invitation to attend a top-level meeting to discuss the Palestine issue. No date has been set, but the meeting will probably be held soon after the 1 July visit of UN Secretary General Hammarskjold to Cairo. The Arabs almost unanimously oppose what they call "compromise" solutions to the Palestinian refugee problem being considered by Hammarskjold. [redacted]

~~TOP SECRET~~ [redacted]

Situation in Yemen

[redacted]
[redacted] Crown Prince Badr is strengthening his control over dis-
sident Yemeni tribal and military elements. The army per-
sonnel involved in the riots in Sana and Taiz earlier this month
and in May apparently have been disarmed, and no action by
tribesmen hostile to Badr's claim to the throne of Imam Ahmad
has been noted. The tendency of the Yemeni tribesmen and
army to shift allegiances, however, makes Badr's ultimate suc-
cess uncertain.

The UAR military mission now in Yemen reported to Cairo
on 26 and 28 June that Badr was expected to carry out extensive
arrests, including all supporters of Prince Hasan, Badr's chief
rival. A few pro-Hasan individuals were reported already ar-
rested. Success in such a move would be a major step toward
gaining the throne.

The Imam is still undergoing medical treatment in Rome,
and some members of his entourage have been reported attempt-
ing to persuade him to stay abroad in the hope that in the mean-
time events in Yemen will discredit Badr. The Imam has re-
ceived reports of Badr's difficulties, however, and [redacted]

[redacted] he is "determined to return." [redacted]

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UNCLASSIFIED

COMPOSITION OF WEST GERMAN ELECTORAL CONVENTION

Christian Democratic Union (CDU/CSU)	517
Social Democratic Party (SPD)	386
Free Democratic Party (FDP)	85
German Party (DP)	24
Refugee Party (BHE)	20
Bavarian Party (BP)	6
	<hr/>
Total	1038
Majority needed	520

90629

III. THE WEST

West Germany's 1 July Presidential Election

The election of the Christian Democratic Union (CDU) presidential candidate, Agriculture Minister Heinrich Luebke, is in doubt. The decision to hold the election in Berlin and to count the votes of Berlin delegates--even though Berlin has no voting rights in the West German Bundestag--means that the CDU is three votes short of the absolute majority necessary on the first and second ballot. With the present composition of the electoral convention (see facing page), the CDU will need to have every member present, and must depend on picking up enough votes from its coalition partner, the German Party (DP), to offset any CDU votes lost because of the Adenauer-Erhard dispute.

The DP, however, decided on 27 June not to support any specific candidate. Some of its delegates, as well as some CDU delegates, may vote for Free Democratic party (FDP) nominee Max Becker, a relatively unknown, conservative lawyer from the state of Hesse who has represented his party in various European organizations. Aged 71, he is a Protestant with a record of active anti-Nazi activities. The Social Democrats are reportedly considering exploiting the situation by switching to Becker on the second or third ballot if their support then seems likely to elect him.

Some agricultural elements in both the CDU and the DP apparently are opposed to Luebke on the grounds that his policies have favored the larger farmers. Further votes may be lost to Luebke if, as CDU officials expect, fear of Communist harassment keeps some delegates away from West Berlin.

The mild tone of Moscow's notes on 26-27 June on the subject of the elections suggests that no major Communist actions are planned to interfere seriously with the holding of the elections and that any minor harassments which might occur would be undertaken by the East Germans and be in no way attributable

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to the USSR. The note to the US expressed the hope merely that the US Government would take measures to ensure that West Berlin would not be used for "new political demonstrations, incompatible with the task of relaxing tension in the center of Europe."

[Necessary preparations for provocative or interdictory actions during the election had not been started by 25 June.]

[the East German regime does not plan such actions. When asked by journalists at Rostock on 27 June what the East Germans would do about the elections, Ulbricht replied merely, "you will see."]

~~SECRET~~

~~SECRET~~Threats to the Siles Government in Bolivia

The anti-government violence which broke out on 26 June in the eastern provincial city of Santa Cruz--a stronghold of right-wing and regional opposition elements--was apparently precipitated by the Siles government's appointment on 22 June of a new mayor and prefect to replace incumbents allegedly subservient to the local opposition committee. The government rushed sizeable reinforcements to the area and by midday on 27 June had regained control of the city with a force which included 2,000 from the peasant and miners militias.

The government's strong reaction was probably due in part to the past record of the principal rightist group involved, which has repeatedly plotted coups against the government--most recently in mid-April. According to a report received by the US Embassy in La Paz not long before the outbreak, the Santa Cruz opposition committee also had substantial arms and regional sentiment gave it considerable popular support.

(President Siles' moves in the Santa Cruz affair may also be intended to unify the hostile factions of the government party behind him for a more serious crisis facing his shaky government in the immediate future. The powerful Bolivian Miners Federation, headed by the leftist Juan Lechin, has reportedly threatened to call a general mine strike if Siles completes the unfreezing of mine commissary prices on 15 July. This government move, which is designed to meet a commitment to the International Monetary Fund under the US-backed stabilization program, caused great political tension when it was partially implemented last March. Unions affiliated with the Miners Federation, including those which have backed Siles in previous clashes with Lechin over the stabilization program, have been reported as unanimous in support of a July strike.)

Bolivia's economy, which deteriorated sharply in 1958 and has poor prospects for any improvement in 1959, is largely dependent on mineral production and exports. A fully effective mine strike would endanger both the stability of the Siles government and the continuance of the stabilization program.

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Executive Offices of the White House

Special Assistant for National Security Affairs

Scientific Adviser to the President

Director of the Budget

Office of Defense and Civilian Mobilization

Special Assistant for Security Operations Coordination

Board of Consultants on Foreign Intelligence Activities

Special Assistant for Foreign Economic Policy

Executive Secretary, National Security Council

The Treasury Department

The Secretary of the Treasury

The Department of State

The Secretary of State

The Under Secretary of State

The Under Secretary of State for Economic Affairs

The Deputy Under Secretary for Political Affairs

The Deputy Under Secretary for Administration

The Counselor

Director, International Cooperation Administration

The Director of Intelligence and Research

The Department of Defense

The Secretary of Defense

The Deputy Secretary of Defense

Assistant Secretary of Defense for International Security Affairs

The Secretary of the Army

The Secretary of the Navy

The Secretary of the Air Force

The Chairman, The Joint Chiefs of Staff

Commandant, United States Marine Corps

The Director, The Joint Staff

Chief of Staff, United States Army

Chief of Naval Operations, United States Navy

Chief of Staff, United States Air Force

Assistant to Secretary of Defense for Special Operations

Director for Intelligence, The Joint Staff

Assistant Chief of Staff for Intelligence, Department of the Army

Director of Naval Intelligence, Department of the Navy

Assistant Chief of Staff, Intelligence, Department of the Air Force

Supreme Allied Commander, Europe

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The Department of the Interior

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The Director

Atomic Energy Commission

The Chairman

National Security Agency

The Director

National Indications Center

The Director

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The Director

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